

# Meeting Minutes, November 17, 2005

## City Center Advisory Commission

**CCAC Members Present:** Jim Andrews, Carolyn Barkley, Gretchen Buehner, Suzanne Gallagher, Alexander Craghead (Alternate), Alice Ellis Gaut, Marland Henderson, Mike Marr, Roger Potthoff, Carl Switzer, Mike Stevenson, Judy Monroe

**CCAC Member Absent:** Ralf Hughes (Alternate), Lily Lilly

**Staff Present:** Tom Coffee, Phil Nachbar, Duane Roberts

### 1. Welcome and Introductions

Chair Mike Marr called the meeting called to order at 6:31 PM.

### 2. Approval of Minutes

The group approved the 9/21/05 minutes as written.

Without objection, minutes of the 9/29/05 three-way meeting involving the CCAC, Council and the Downtown Task Force were “let them stand as informational,” but not considered as CCAC meeting minutes.

### 3. Final Review or UR Plan & Report

Jeff Tashman gave background detail on the marked-up copies of the UR Plan and Report included in the CCAC meeting packet. He also referred to a memo dated 11/8/05 that goes through all the changes, most of which are editorial. Parallel language is used to describe projects under the plan. The UR team and City Attorneys conferred and reached agreement on how to describe relocation benefits.

Jeff addressed comments that the report did not show expenditures for land acquisition or for public facilities. Tina noted that Table 11 “Tax Increment Revenues . . .” in the Report is printed in landscape format and, as a result, some of the outer years’ data is cut off. This problem will be fixed.

Jeff explained that state statute entitle displaced residential, commercial, and industrial owners and tenants to certain benefits. These include assistance in looking for another residence or tenant space, payment of moving costs, and to some extent payment for business losses. In the case of low income families, the statutes also call for a certain period of rental assistance. Relocation assistance covers relocation to another site within or outside the district. No relocation benefits are provided for businesses choosing to move into the district from outside it.

The group devoted considerable time to a page by page review of the Plan and Report.

Duane pointed out that he hadn’t until recently noticed that the surveyor who provided the UR district legal description surveyed to the center line on the lower portion of Hall Boulevard rather than to the outer edge of pavement. If needed, this problem can be corrected later

through a plan amendment without a vote of the electorate. Council cannot make this adjustment at the hearing, because the legal notices have already gone out and moving the boundary would involve expanding the size of the district.

Jeff pointed that after 20 years the agency could incur more debt as long as the debt wasn't paid back from tax increment revenue. After the UR district's 20<sup>th</sup> anniversary, tax increment dollars can be used only to retire outstanding debt.

In response to a question regarding the date when City tax revenues will start flowing back into the general fund, Jeff explained that projections show the tax increment bonds being paid of by 2028. However, no specific year is mentioned in the plan, because one can't be sure about the exact date.

Jeff noted that the UR Report is a technical document and that, unlike the UR Plan, it is not required to be adopted. Roger asked whether the \$22 million estimate of tax increment revenue included in the report was based on the future valuations of redevelopment properties. 'What are the assumptions that create the increment to support the 22 million?' What was your process of getting to the \$22 million figure? According to Jeff, the revenue estimate is based on:

1. An understanding of what the market might support in the downtown area.
2. Tallying up the acreage of re-developable land, defined as land where the value of the improvements is not much higher than the value of the land. This indicates under-utilization.
3. An allocation of market absorption targets in terms of number of housing units and number of square feet of commercial space, combined with assumptions about phasing.
4. This provides an estimated annual number of housing units and x thousand square feet of new commercial space.
5. Based on comparables, establishing the real market value of the average housing unit, along with the square foot values of new office and retail space. He adjusted the yearly base numbers to allow for inflation. This gives the real market value of the new development. He next converted the real market value into assessed value using a ratio supplied by the County. He applied the applicable tax rate to the increase in assessed value to derive annual revenues. He then programmed bond issues at regular intervals that fit within that revenue stream. The assumptions regarding the bonds is that they would be 15-year bonds, would carry a 6% administrative cost, and would have a certain "coverage ratio". These were middle of the road assumptions.

Gretchen pointed out that one of the two Planning Commission members who voted against the plan did so because she didn't understand the basis for the \$22 million. In his presentation to Council, Jeff should explain the background of how he came up with the \$22 million.

Roger commented that \$22 million is not enough to accomplish what the CCAC wants to undertake. Carrying out the project's listed in the Plan is completely dependant on there being additional sources of revenue to get these projects done. These additional sources can include the City's road and utilities funds, the parks System Development Charges fund, and sewer or water improvement revenue bonds. Other sources of revenue will be needed in order to get all these projects done. It was never assumed that tax increment financing would be the end all.

In response to question posed by Roger's about the usefulness of referencing in the Plan the need for other funding sources, Jeff noted that it would be most appropriate to add this information to the Report. The total cost of each project listed in the Report is the total urban renewal portion of the cost. Other revenue sources will be necessary to complete the projects.

#### **4. Outreach Program Debriefing**

Phil attended the school board UR meeting. He reported that everything went smoothly, with no major objections raised. The unique thing about school district is that the state will reimburse them for any revenue lost due to UR. Any special levies would not be affected by UR.

Mike Marr reported that the Rotary as a body was very proactive in its support for UR and asked lots of questions.

Tom reported that he met with Luciana Lopez of the Oregonian. She intends to write a news story following UR adoption and a later background feature story on UR and how it works.

Duane mentioned he has been responsible for fielding UR email and voicemail calls and has received only about 15 calls/emails so far during the two-month period these lines have been operational. These are mostly from residential owners, with only a few calls from business owners. Several calls were from Center Street residents who have concerns about being displaced. Most other calls concerned the impact of UR on residential tax rates.

#### **5. CCAC & Individual Hearing Testimony**

Carolyn commented that she has had several UR discussions with clients. Citizens ask if we are a committee that rubber stamps what the City wants. Citizens are interested in who is doing this and who is driving this. "It makes a difference in the perception."

Mike M. noted that one of the concerns he has heard expressed in outreach meetings and elsewhere is that the City Council is also the Agency. What is Council's intent, is it to be the Agency? At the workshop meeting held in June there was hesitation on Council's part to act as the Agency. Council indicated that it had to be the Agency until the election, because of the tight timeframe. They may set up something else up after the election. Council has indicated that they did not want to do this forever and have left the door open to switch.

Roger asked if anyone would be meeting with the developers' focus group. The minutes of the March 2005 developers meeting talked about keeping them in the loop. Mike mentioned that this didn't necessarily mean that we would involve them in the process leading up to the election.

#### **6. Campaign Laws**

Tom introduced this topic. He referenced a campaign laws memo from Tim Ramis to City Council/Staff. Under these laws, City staff can only present facts. Advocacy must be done by a different group. Individual CCAC members can be part of a Political Action Committee, or

PAC, but cannot speak or act as a representative of the CCAC. PAC formation would need to be done completely away from the CCAC.

Tom discussed the roles of the CCAC and the decommissioned Downtown Task Force. Members of the Task Force who wish to continue in some capacity can volunteer for the Streetscape Working Group. He suggested that the next CCAC meeting should include a briefing on the Streetscape project. "There is a role for CCAC as we move forward to UR implementation." The Agency is the decision maker but must get advice from the CCAC. What is the life of this Commission? The CCAC was created by municipal code. As long as there is a Development Agency there is a CCAC. Staff recommends regular monthly meeting beginning in December.

Tom will provide a book from Cathy Wheatley that has information on campaign rules and regulations. It primarily deals with financing. Mike M. mentioned that PAC formation will be handled completely separately from the CCAC and at a later date.

## **7. Hwy 99W/Hall Blvd. Intersection Project**

Carl introduced this topic. The State and the County have been working on a project for this intersection for quite some time. It is finally coming close to reality. Gus Duenas reports that ODOT wants to put out a bid for final design in 2006. The plan is to bid construction in spring 2007. This project will add a left turn lane on northbound Hall and a right turn lane on southbound Hall. On 99W, the plan calls for a third eastbound lane from Main St. to Highway 217. Widening would affect adjoining properties.

The project may qualify for designation as a Special Transportation Area, or STP. Under this program, the State lets you bend the rules in a downtown area. This could include such design features as putting in medians or traffic calming devices that you wouldn't be able to do on a State highway. Treatments to make the intersection more pedestrian and bike friendly could be considered as part of the re-design. An STP agreement requires an application and contract.

## **6. Other Business / Announcements**

The next CCAC meeting is set for December 22<sup>nd</sup>. The agenda will include a report on STAs and information on ODOT's plan. The City Engineer may be asked to attend.

Mike M. adjourned the meeting at 9:44 PM.

*An audio tape of this meeting is available from the City Records Office.*